

7 FAM 500 Appendix G

(TL:CON-42; 3-25-87)

(Excerpt From Old 7 FAM 250 - Department of the Treasury)

This appendix contains the text of sections 252-259 of old Chapter 7 FAM 250 , Department of the Treasury. Because this material has not been revised, we are publishing the old (and still valid) text in this format to alleviate some of the confusion caused by having old and new 7 FAM chapter numbers still in existence. When this material is revised and issued as part of the chapter text, this appendix will be deleted. The appendix internally retains the old 7 FAM numbering. The relevant TL's are: CON-45, 7-21-71 and CON-59, 5-30-75.

7 FAM 252 INTERNAL REVENUE SERVICE

7 FAM 252.1 Liability to U.S. Taxes

7 FAM 252.1-1 Income Tax

In general, all citizens of the United States, wherever resident, and all resident alien individuals are liable to the income tax imposed by the Internal Revenue Code of the United States whether the income is received from sources within or without the United States. A person whose U.S. citizenship is restored, after a previous holding that it had been lost, immediately becomes liable for U.S. income tax on his worldwide income. He should, therefore, file a return for the current year and, since he may have retroactive liability, make inquiry regarding the filing of returns for any previous years. A nonresident alien is liable to the tax imposed by the Internal Revenue Code on income received from sources within the United States, and, under certain conditions, on income received from sources without the United States.

7 FAM 252.1-2 Estate Tax

A Federal estate tax is imposed upon the transfer of the entire taxable estate of a U.S. citizen decedent wherever resident at time of death, and upon certain aliens whether resident in the United States or not. Internal Revenue Form 706, Estate Tax Return, for the year in which the decedent died, will supply return requirements and other information, including special instructions applicable to the estates of these nonresidents aliens.

7 FAM 252.1-3 Gift Tax

The tax applies to all transfers by gift of property, wherever situated, in excess of \$3,000 within the calendar year to any one donee, regardless of value in case of a future interest in property, by an individual who is a citizen or resident of the United States, and to the extent the value of the transfer exceeds the amount of the authorized exclusions and deductions. The tax does not apply to a transfer of intangible property by a nonresident who is a U.S. citizen.

7 FAM 252.1-4 Evasion or Avoidance of Taxes

Any instance of apparent evasion or illegal avoidance of the income tax, estate tax, gift tax, or any other internal revenue tax which comes to the attention of the post shall be reported to the Internal Revenue Service (IRS) by operations memorandum submitted by air in an envelope addressed to:

Director of International Operations
Internal Revenue Service
Washington, D.C. 20225

7 FAM 252.2 Inquiries

Although 22 CFR 92.75 authorizes offices of the Foreign Service to perform notarial services in connection with income tax returns, it states specifically that officers should not give advice on the preparation of tax returns. No attempt is to be made by Foreign Service personnel to answer involved or technical inquiries. Taxpayers should be advised to seek assistance from IRS representatives at any of the locations enumerated in section 7 FAM 252.4-1 , either by mail or in person. A U.S. citizen or resident alien with any question relative to a previously filed return should be instructed to write to the Internal Revenue Service Center where the return was filed, unless the taxpayer has been directed to write to another specified office. A nonresident alien should be instructed to write to:

Director, Internal Revenue Service Center
11601 Roosevelt Boulevard
Philadelphia, Pennsylvania, 19155
U.S.A.

Any other inquiry requiring assistance should be addressed to:

Internal Revenue Service
Office of International Operations
Benjamin Franklin Station
P.O. Box 384
Washington, D.C. 20044
U.S.A.

If an IRS representative is stationed in the area or will shortly be at the post, the inquirer may be referred to that official. A person who does not have a social security number, now required on income tax returns, should be instructed to obtain a number in accordance with Social Security Administration procedures.

7 FAM 252.3 IRS Forms and Publications

7 FAM 252.3-1 Income Tax Forms

All posts stock IRS forms for the use of persons in the consular district. The forms are in greatest demand from early January through April 15, and during that period a supply of the forms should be kept at the reception desk or other accessible place where people may pick them up without asking. The post requisitions the next year's supply of forms no later than the last working day in July on IRS Form 2333-A, State Department Overseas Post Request for Income Tax Forms. This form should be submitted by air to:

Director of International Operations
Internal Revenue Service
Washington, D.C. 20225
U.S.A.

No reference to the Department of State is to appear on the envelope. Interim requests for forms are made in the same manner. Order the smallest quantity necessary for immediate use, since the forms become obsolete rapidly, frequently each year. However, a small supply of return forms and instructions for prior years must be retained for the use of those taxpayers who may have failed to file timely returns for one or more prior years. Since forms cannot be prepared before passage of the next year's Internal Revenue Act, it is not possible to send them to the posts before the latter part of each calendar year for use in filing returns beginning each January. To provide reliable technical information in addition to the instruction sheets accompanying each return form, the reference material furnished by the IRS should be available at the post. Since frequent changes may be made in the reference material because of new legislation, court decisions, regulations, and rulings, posts will be provided with revised issuances as they become available.

7 FAM 252.4 IRS Representatives Abroad

7 FAM 252.4-1 Regularly Assigned

An IRS representative who is regularly assigned to a post usually will become a member of the staff. Having presented credentials in each of the countries over which a representative has jurisdiction, the IRS representative will not require the good offices of the Foreign Service to arrange official contacts with national or local officials within such countries. IRS representatives are regularly assigned to the following posts, with territory assigned as indicated for each:

Bonn:	Austria, Belgium, Federal Republic of Germany, German Democratic Republic, Netherlands.
Canberra:	American Samoa, Australia, Fiji, New Hebrides, New Zealand, Western Samoa.
Caracas:	Colombia, Ecuador, French Guiana, Guyana, Netherlands Antilles Panama, Surinam, Trinidad and Tobago, Venezuela, Windward and Leeward Islands.
Johannesburg:	All of Africa except: Algeria, Arab Republic of Egypt, Liberia, Libya, Morocco, Tunisia.
Kuala Lumpur:	Bangladesh, Burma, India, Indonesia, Khmer Republic, Laos, Malaysia, Singapore, Thailand, Viet-Nam.
London:	Denmark, Finland, Great Britain, Ireland, Norway, Sweden.
Manilla:	Caroline Islands, Guam, Hong Kong, Mariana Islands, Marshall Islands, Philippines.

Mexico, D.F.:	Bahamas, Belize, Bermuda, Cayman Islands, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua.
Ottawa:	Canada.
Paris:	Algeria, France, Liberia, Libya, Liechtenstein, Luxembourg, Morocco, Portugal, Spain, Switzerland.
Rome:	Israel, Italy, Malta, Tunisia, Yugoslavia.
Sao Paulo:	Argentina, Bolivia, Brazil, Chile, Paraguay, Peru, Uruguay.
Tehran:	Afghanistan, Arab Republic of Egypt, Bahrain, Cyprus, Greece, Iran, Iraq, Jordan, Kuwait, Lebanon, Pakistan, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates, Yemen Arab Republic.
Tokyo:	Japan, Korea, Taiwan.

7 FAM 252.4-2 Temporarily Detailed

When an IRS representative arrives at a post on temporary detail, either to assist taxpayers or to investigate a specific case, the representative has no official status with the host government. In these circumstances, the good offices of the post will be required to arrange all official contacts with national or local officials within the country. The IRS representative will keep the post informed of all planned activities and nonofficial contacts with the country.

7 FAM 252.5 IRS Assistance Program

7 FAM 252.5-1 Scope of Program

During the early part of each calendar year, IRS representatives are temporarily detailed abroad for the purpose of advising and otherwise assisting nonresident taxpayers having problems in preparing their Federal income tax returns and for other IRS matters as assigned. The program is generally limited to those foreign areas where substantial numbers of U.S. citizens reside. Emphasis is directed toward providing tax assistance to mass taxpayer audiences by means of seminars. Following these, taxpayers will be offered an opportunity to prepare their own tax return, with assistance. The itinerary, which will be sent out shortly before income tax filing time each year, will be furnished to all posts with the thought that some taxpayers may wish to travel to the nearest city on the schedule for assistance. Regularly assigned IRS representatives will participate in the annual program.

7 FAM 252.5-2 Requests for Inclusion on Itinerary

Because of the emphasis on servicing mass audiences and budgetary limitations, the trend is to curtail rather than to expand itineraries. However, any post not included on the itinerary which feels it has sufficient problem cases to warrant a visit from an IRS representative may request that it be placed on the next itinerary. The request shall be by operations memorandum and shall contain a full justification of the need for inclusion in the program, particularly the number of U.S. citizens in the district and the number of difficult or complex cases coming to the post's attention in previous years. The request shall be forwarded by air to:

Director of International Operations
Internal Revenue Service
Washington, D.C. 20225
U.S.A.

7 FAM 252.5-3 Administrative Support

Posts on the itinerary assist the IRS representatives in their assignments by making available administrative services and facilities within the post, and furnishing other appropriate assistance to make the program as effective as possible. If stenographic or related services are required, these shall be made available from the assigned staff at the post if possible, although it is understood that requests for stenographic assistance will not generally be made. Because of the legal restrictions on the disclosure of income tax information to unauthorized persons, the space assigned for use of the IRS representative shall afford the greatest possible privacy. All expenses will be borne by the Internal Revenue Service.

7 FAM 252.5-4 Advance Publicity

To a limited extent, the IRS will provide funds to pay for advertising. Even within the limitation, appropriate maximum publicity should be given to the program in order that as many U.S. citizens as possible may be informed of tax return forms and publications, as well as of the dates on which it is expected that the IRS representative may be consulted.

7 FAM 252.6 Miscellaneous Services

From time to time, requests to obtain information or to perform other services for the IRS will be sent to a post, accompanied by full instructions. The post prepares its report in the form of an operations memorandum addressed to the IRS and forwards it by air in an envelope addressed to:

Director of International Operations
Internal Revenue Service
Washington, D.C. 20225

7 FAM 252.7 Communications

Communications on IRS operational affairs will usually be by direct exchange between the IRS and the post concerned and not through the Department. The post should address and send its written communications to:

Director of International Operations
Internal Revenue Service
Washington, D.C. 20225

On matter of policy regarding services for the IRS, a post should report to the Department by operations memorandum, subject: FEDERAL AGENCIES (IRS): (Subject of body of message). When it becomes necessary to send a telegram to IRS on an operational matter, the telegram should be addressed to:

Director of International Operations
Internal Revenue Service
Washington, D.C. 20225

Do not address such messages to "SECSTATE." If the post feels that the Department should also have a copy of the telegram, address it to both the IRS and "SECSTATE." A telegram sent in the interest of a private individual should be sent as an interested party (IP) message at the expense of the individual.

7 FAM 253 U.S. SECRET SERVICE

7 FAM 253.1 Reporting Counterfeit U.S. Currency

7 FAM 253.1-1 Substance of Report

Report the presence of counterfeit U.S. currency by operations memorandum addressed to: U.S. Secret Service, subject: Report on Counterfeit Money. Include the following in describing the counterfeit notes (see 7 FAM 253 Exhibit 253.1-1):

a. Denomination.

b. Type of note: for example, Federal Reserve Note, which has a green seal and serial number; United States Note, which has a red seal and serial number; or Silver Certificate, which has a blue seal and serial number.

c. Series.

d. Serial number.

e. Check letter.

f. Face plate number.

g. Back plate number.

h. For Federal Reserve Notes, the name of the issuing bank. Forward the counterfeit notes with the report as soon thereafter as possible unless local authorities forbid it. If all of the notes cannot be forwarded, attempt to obtain and forward at least two specimens for analysis by the Secret Service. If specimens cannot be obtained, a clear photograph of the note (front and back) shall be furnished. If available, include or submit later a copy of the local agency's investigative report.

7 FAM 253.1-2 Routing Report

a. Posts in Aden, Africa, Europe, Greece, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, Syria, Turkey, and Yemen shall forward their reports to:

Special Agent in Charge
U.S. Secret Service
American Embassy, Paris

b. All other posts shall forward the reports by air in a sealed envelope addressed:

U.S. Secret Service
Room 834
1800 G Street, N.W.
Washington, D.C. 20226

The envelope shall bear no mention of the Department of State nor the subject of the operations memorandum.

7 FAM 253.2 Inform Local Authorities

a. Unless the officer in charge at the post feels that unusual circumstances in a particular case would preclude notification to local authorities, an immediate report of the appearance of counterfeit currency shall be made to local law enforcement agencies.

b. Posts located in member nations of the International Criminal Police Organization shall furnish copies of the report to that organization.

7 FAM 253.3 Inquiry by Post

If any questions arise at the post concerning the procedure to be followed in any particular counterfeiting case, they should be referred to the U.S. Secret Service by operations memorandum in the same manner as outlined in section 7 FAM 253.1-2 . Inquiry made by telegram should be addressed to the U.S. Secret Service for action.

7 FAM 254 BUREAU OF CUSTOMS

7 FAM 254.1 Value and Classification Inquiries

Requests which are formulated as needs arise within the Bureau of Customs call for investigations to be made in foreign countries to develop facts bearing upon value and classification of merchandise and suspected dumping. When an officer of the Foreign Service is called upon to conduct such an investigation at a place where the Treasury Department does not maintain representatives, the request will be accompanied by complete instructions.

7 FAM 254.2 Form of Report

The report of such investigations is made by operations memorandum to:

Commissioner of Customs
Attention: Office of Investigations
2100 K Street, N.W.,
Washington, D.C. 20226

The envelope shall bear no mention of the Department of State. Communications about operational or programming matters requiring attention within the Department of State should be by operations memorandum addressed to the Department (E/OCA/REP), subject: ECONOMIC REPORT-ING.

7 FAM 254.3 Evaluation of Reports

In a cooperative effort to stimulate effective reporting, it is the practice of the Bureau of Customs to offer observations and suggestions on the sufficiency of the report. A copy of such an evaluation is sent by the post to the Foreign Economic and Commercial Reporting Division, Office of Commercial Affairs (E/OCA/REP), and one is sent to the reporting officer for his information.

7 FAM 255 U.S. SAVINGS BONDS, SERIES E, AND U.S. SAVINGS NOTES (FREEDOM SHARES)

7 FAM 255.1 Procedure by Consular Officer

7 FAM 255.1-1 Certification for Non-U.S. Government Employees and Certain Military Personnel

- a. The owner or coowner presents his bond or note to the consular officer for payment.
- b. The consular officer verifies the identity of the presenter as owner or coowner of the bond or note by examining his passport (verifying that it is current) or other reliable identification. Certain U.S. military personnel who do not bear passports, should present a Department of Defense identification card for examination. (See section 7 FAM 255.3 .)
- c. The consular officer inscribes on the back of the bond or note data from the passport, other reliable identification, or military identification card; for example, U.S. passport number, date and place of issuance, or DD Form (number that appears on the ID card), date of issuance, serviceman's serial number, and card serial number. (See section 7 FAM 255.3 .)
- d. The consular officer observes the signing of the bond or note by the presenter; ensures that the signature is exactly as it appears on the face of the security; completes the certification section on the instrument; and signs and seals it if all requirements have been fully met. A consular officer may not certify a bond or note on which he is named as owner or coowner.
- e. The consular officer informs the presenter that he may send his securities through the open mail to:

Treasurer of the United States
Securities Division
Washington, D.C. 20220

If he is located in a foreign country in the Atlantic area, the securities should be sent to:

Federal Reserve Bank of New York
Federal Reserve Post Office Station
New York, New York 10045

If he is located in a foreign country in the Pacific area, the securities should be forwarded to:

Federal Reserve Bank of San Francisco
San Francisco, California

He may also present his securities to a representative bank in a foreign country (section 7 FAM 255.2-2) for transmittal to its home office for processing or may send it through the open mail to his own bank in the United States for payment, if either is willing to perform the service for him. (See sections 7 FAM 255.4 and 7 FAM 255.5 .) Instructions for mailing the check must be enclosed with this request for payment. If the citizenship of the payee is not clearly evident, his statement pertaining thereto should be furnished (see section 7 FAM 255.4).

7 FAM 255.1-2 Encashment for U.S. Government Employees and Certain Military Personnel

(See also 4 FAM 823 .)

a. Bond-issuing offices abroad may cash Series E savings bonds and savings notes for U.S. national employees of the U.S. Government abroad, and for U.S. military personnel assigned to U.S. diplomatic and consular establishments abroad, such as Marine security guards and personnel of the office of the Defense Attache, and the officially recognized dependents of either residing with them abroad.

b. The consular officer follows the certification procedures of section 7 FAM 255.1-1 .

c. The consular officer establishes eligibility of the presenter for encashment abroad of his bonds or notes by a bond-issuing center by a careful review of the presenter's U.S. passport.

d. The consular officer has the presenter list each bond or note separately on Form FS-568, Receipt for U.S. Savings Bonds Submitted for Cashing, and include the name and address to which he wants the check for the bonds or notes mailed. (See 7 FAM 255 Exhibit 255.1-2 .)

e. The consular officer, upon completion of the certification on the bond or note, signs the receipt on form FS-568, and gives the owner or coowner the quadruplicate.

f. The consular officer delivers or forwards the bond or note and the original and first copy of the receipt to the U.S. Disbursing Officer on the post cashier, and retains the triplicate of the receipt.

7 FAM 255.2 Alternative Procedures

7 FAM 255.2-1 Through Certain U.S. Banks and American Express Company Offices (AMEXCO)

The Department of the Treasury has authorized AMEXCO and certain U.S. financial institutions operating banking facilities at specified military installations abroad to cash Series E savings bonds and savings notes for personnel of the installations and their dependents.

7 FAM 255.2-2 Other Procedures

Title 31 CFR 315.43 provides as follows"

"(g) In foreign countries. In a foreign country requests for payment maybe signed in the presence of and be certified by any United States diplomatic or consular representative, or the manager or other officer of a foreign branch of a bank or trust company incorporated in the United States whose signature is attested by an impression of the corporate seal or is certified to the Treasury Department. If such an officer is not available, requests for payment may be signed in the presence of and be certified by a notary or other officer authorized to administer oaths, but his official character and jurisdiction should be certified by a United States diplomatic or consular officer under seal of his office.

"(h) Special provisions. In the event none of the officers authorized to certify requests for payment of bonds is readily accessible, the Commissioner of the Public Debt, the Deputy Commissioner of the Public Debt in Charge of the Chicago Office, the Treasurer of the United States, or any Federal Reserve Bank or Branch is authorized to make special provision for any particular case."

7 FAM 255.3 Instructions to Certifying Officers

Title 31 CFR 315.43 provides, in part, as follows (the term “bonds” includes savings bonds and savings notes):

“A certifying officer should require that a person presenting bonds, or forms with respect thereto, establish his identity by positive and reliable evidence before the bonds or forms are signed, unless the presenter is personally well known to the officer. Such officer and, if he is an officer or employee of an organization, the organization will be held fully responsible for the adequacy of the identification. The certifying officer should place an adequate notation on the back of the bond or form, or on a separate record, showing exactly how identification was established. The certifying officer must affix to the certification his official signature, title, seal or dating stamp, address (if not shown in the seal or stamp), and the date of execution...”

7 FAM 255.4 Payment or Redemption

31 CFR 316.10 provides, in part, as follows:

"(a)..."

“(b) Federal Reserve Banks and Branches and Treasurer of the United States. Owners of Series E bonds may obtain payment upon presentation and surrender of the bonds to a Federal Reserve Bank or Branch or to the office of the Treasurer of the United States, Securities Division, Washington, D.C. 20220, with the requests for payment on the bonds duly executed and certified in accordance with the governing regulations.

“(c) Incorporated banks, trust companies, and other financial institutions. An individual (natural person) whose name is inscribed on a Series E bond either as owner or coowner in his own right may also present such bond to any incorporated bank or trust company or other financial institution which is qualified as a paying agent under Department of the Treasury Circular No. 750, current revision (Part 321 of this subchapter). If such bond is in order for payment by the paying agent, the owner or coowner, upon establishing his identity to the satisfaction of the agent and upon signing the request for payment and adding his home or business address, may receive immediate payment of the current redemption value.”

7 FAM 255.5 Financial Institutions Authorized to Act

31 CFR 321.2 provides as follows:

“Commercial banks, trust companies, savings banks, savings and loan associations, building and loan associations (including cooperative banks), credit unions, cash depositories, industrial banks, and similar financial institutions which (a) are incorporated under Federal law or under the laws of a State, territory or possession of the United States, or the District of Columbia; (b) in the usual course of business accept, subject to withdrawal, funds for deposit or the purchase of shares; (c) are under the supervision of the banking department or equivalent authority of the jurisdiction in which incorporated; and (d) maintain regular offices for the transaction of their business, are eligible to become paying agents and, subject to the provisions relating to qualification set out in section 7 FAM 321.3 , are authorized to make payments in connection with the redemption of savings bonds and savings notes, but only in accordance with the provisions of this circular, and any memorandum of instructions, guides, notices, etc., issued by the Department of the Treasury relating to such authorization.”

7 FAM 255.6 Income Tax Withholding

The Internal Revenue Code of the United States requires the withholding of tax at the rate of 30 percent on interest paid by the United States to nonresident aliens unless modified by tax conventions. Accordingly, in the absence of a convention establishing a lesser rate, 30 percent of the increment which has accrued on the bond or note since the date of issue will be withheld when the payment is made to a person abroad, unless a statement is attached establishing that the person concerned is a U.S. national.

7 FAM 255.7 Power of Attorney for Treasury Check

(See section 7 FAM 251.1-5 .)

7 FAM 255 Exhibit 255.1-2

FS-568, RECEIPT FOR U.S. SAVINGS BONDS SUBMITTED FOR CASHING

EXHIBIT 255.1-2 FS-568, RECEIPT FOR U.S. SAVINGS BONDS SUBMITTED FOR CASHING

DEPARTMENT OF STATE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA RECEIPT FOR U. S. SAVINGS BONDS SUBMITTED FOR CASHING				
I am the owner of the following described bonds and hereby request payment.				
SERIES	DENOMINATION (AMOUNT PAID)	SERIAL NO.	ISSUE DATE	FORM OF REGISTRATION
E	\$25	E 555 414 33	5/14/58	Jane E. Doe POD John Doe
ADDRESS 1964 COPY OF CHECK			NAME TYPE OR ALIAS	
NUMBER AND STREET American Embassy			Jane E. Doe	
CITY AND STATE New Delhi, India			SIGNATURE /s/	
I hereby acknowledge receipt of the above listed benefits.				
DATE May 31, 1970			SIGNATURE	
TITLE Vice Consul			/s/	

